GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2931
ANSWERED ON:09.12.2002
HINDUSTAN STEELWORKS CONSTRUCTION LIMITED
PRAHLAD SINGH PATEL

Will the Minister of STEEL be pleased to state:

(a) the number of employees and officers working in Hindustan Steelworks Construction Limited (HSCL), Bhilai during 1998 ;

(b) the number of employees working after availing of Voluntary Retirement Scheme at present ;

(c) whether the Government have given any assistance to HSCL for its revival during 1998-2002 ;

(d) if so, the assistance provided to HSCL during the said period; and

(e) the details of orders given to HSCL by Bhilai Steel Plant during the said period ?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) The manpower position in Bhilai unit of Hindutan Steelworks Construction Limited(HSCL) as on 1.4.98 and 1.4.99 is given below :

	1.4.98	1.4.99
Executives	254	235
Others	3550	3516
Total	3804	3751

(b) After availing of Voluntary Retirement Scheme, 986 employees are working in Bhilai unit of HSCL at present.

(c) Government has sanctioned two revival packages to HSCL, first in July, 1999 and second in March, 2002.

(d) The salient features of first Financial Restructuring package approved in July, 1999 are given below:

(i) Conversion of plan loans as on 31.3.1999 into equity : Rs.97.10 crores.

(ii) Grant of moratorium on repayment & interest holiday on all loans (Govt. of India) upto 31.3.1999 for 10 years.

(iii) Waiver of interest accrued & outstanding on all Govt. of India loans as on 31.3.1999 amounting to Rs.975.17 crores.

(iv) Rs.79.33 crores non-plan loan during 1999-00 with moratorium on repayment & interest holiday for 5 years subject to review at the end of 5 years.

(v) Exemption from payment of corporate tax in 1999-00 on account of windfall profit due to waiver of interest on loans.

(vi) Continuance of govt. guarantee for Rs.12 crores cash credit & Rs.80 crores bank guarantee facilities, with waiver of guarantee commission of 1%.

(vii) The restructuring package also envisaged separation of 6000 employees in three years at the rate of 2000 employees per year starting from 1999-2000 onwards. For this purpose, Govt. provided guarantee in favour of HSCL to enable it to raise Rs.318 crores from bank with full interest subsidy.

Government sanctioned second revival package for HSCL in March, 2002 with the following pproposals:

(a) Grant of non-plan loan of Rs.89.44 crores to enable HSCL to pay outstanding dues of its employees

(b) Increase in Government of India guarantee by Rs.250 crores to facilitate HSCL to raise further loans from banks for separation of around 5000 employees under VRS, along with provision for interest subsidy.

(e) Value of orders awarded to HSCL by Bhilai Steel Plant during the period 1998 to 2002 are give below:

(Rs. in crores)

1998-99	21.10
1999-00	18.93
2000-01	17.39
2001-02	25.10
2002-03	19.74(upto Nov. 02)
Total	102.26